Pee'd, 9/26/94

SURFACE INSPECTION COMPLIANCE REPORT

Date of Inspection: August 25, 1994

Case Serial No.: UTU-070722

Operator: Industrial Minerals Inc./Thom Clark Project Geologist

Project Description: Snowflake Project

Legal Description: T. 23 S., R. 9 W., Section 26

District and Resource Area: Richfield/Warm Springs

Inspector: Rody Cox, Larry Garahana

REPORT NARRATIVE (REFERENCE STIPULATIONS BY NUMBER OR TITLE)

This is the first inspection of this notice. I completed an inspection of what I thought was Industrial Minerals Inc. (IMI), on July 21, 1994. It turned out to be a noncompliance of Robert B. Wilson (UTU-070718), that was approximately 750' to the east of were IMI is located. The disturbance caused by IMI is a pit approximately 10' x 12' x 8'deep, with a total disturbance of approximately 40' x 60'. Which is considerably smaller than the 1.5 acre disturbance of Mr. Wilson which I mistook for IMI.

We attended a meeting on August 25, 1994, that included among others Mr. Thom Clark Project Geologist for IMI. At that time he pointed out the actual location of IMI and stated that he was still interested in this site. He also told Rody that he could update us with Mrs. Oertle's (claimant) California phone number and address, which Rody received on August 29, 1994.

Signature of Inspector

Signature of Authorized Officer

PLYLUTES WERE TAKEN TO DOCUMENT THE DISTURBANCE

